

**DAVID WILLIAM PLANT**  
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U.S.A.

July 26, 2005

**VIA FACSIMILE ONLY (Two Pages)**

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Contec Corporation v. Remote Solution Co., Ltd.  
AAA No. T 133 00325 03

Dear Counsel:

I now have and have considered, in addition to counsel's submissions of January 30, 2004, March 17, 2005, March 25, 2005, March 29, 2005, and April 1, 2005, counsel's June 3, 2005 submissions and Mr. Finger's submission of June 6, 2005.

On the indemnification issue, I am prepared to rule that Contec is entitled to an award that Remote Solution has breached Section 3(c) of the February 16, 1999 Manufacturing and Purchase Agreement. Inter alia, I am prepared to rule that (i) Section 3(c) of the 1999 Agreement is clear and unambiguous, (ii) Section 3(c) constitutes an express agreement by Remote Solution to defend any suit or proceeding against Contec based on a claim that inter alia "Products" (i.e. "designed and/or manufactured and sold by Seller [Remote Solution] to Purchaser [Contec] pursuant to this Agreement") infringe a valid United States patent, (iii) Section 3(c) overrides and is not subject to the "buyer's specifications" provision of UCC Section 2-312(3), (iv) Contec provided appropriate notice to Remote Solution with respect to UBI's action for patent infringement and Philips's action for patent infringement, (v) Remote Solution did not defend Contec in either proceeding, (vi) "final judgment" of the kind referred to in Section 3(c) was entered in at least Philips v. Contec et al. Civil Action No. 02-123-KAJ, with respect to "Products" (see August 28, 2003 Consent Judgment and Order), and (vii) Remote Solution's defenses do not avail it here.

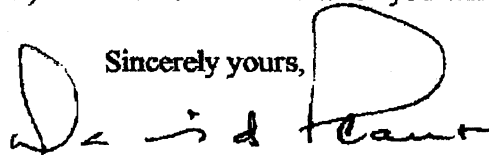
In light of my tentative ruling, outlined above, counsel and the parties may want to confer and consider their next steps. If a formal Award is required, I shall be glad to prepare and issue it. On the other hand, if time and expense can be conserved through another course of action that results in a reasonable and final resolution of this matter, I shall be happy to consider it.

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Messrs. Finger and Stein  
July 26, 2005  
Page Two

I suggest we confer by telephone on Friday, July 29 (between 9:30 am and 4:30 pm), or Monday, August 1 (between 2:00 and 5:00 pm). Please let me know when you will be available.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David H. Cantor". The signature is written in a cursive style with a large, prominent "D" at the beginning.

cc William Chang/via fax 212 246 7274